



REQUEST TO RELEASE THE REGULATORY AGREEMENT FOR STONEHOUSE/ATHENA HOUSE LOCATED AT 3555 SONOMA HIGHWAY UPON SALE AND REPAYMENT OF LOAN

Housing Authority Meeting
January 23, 2023

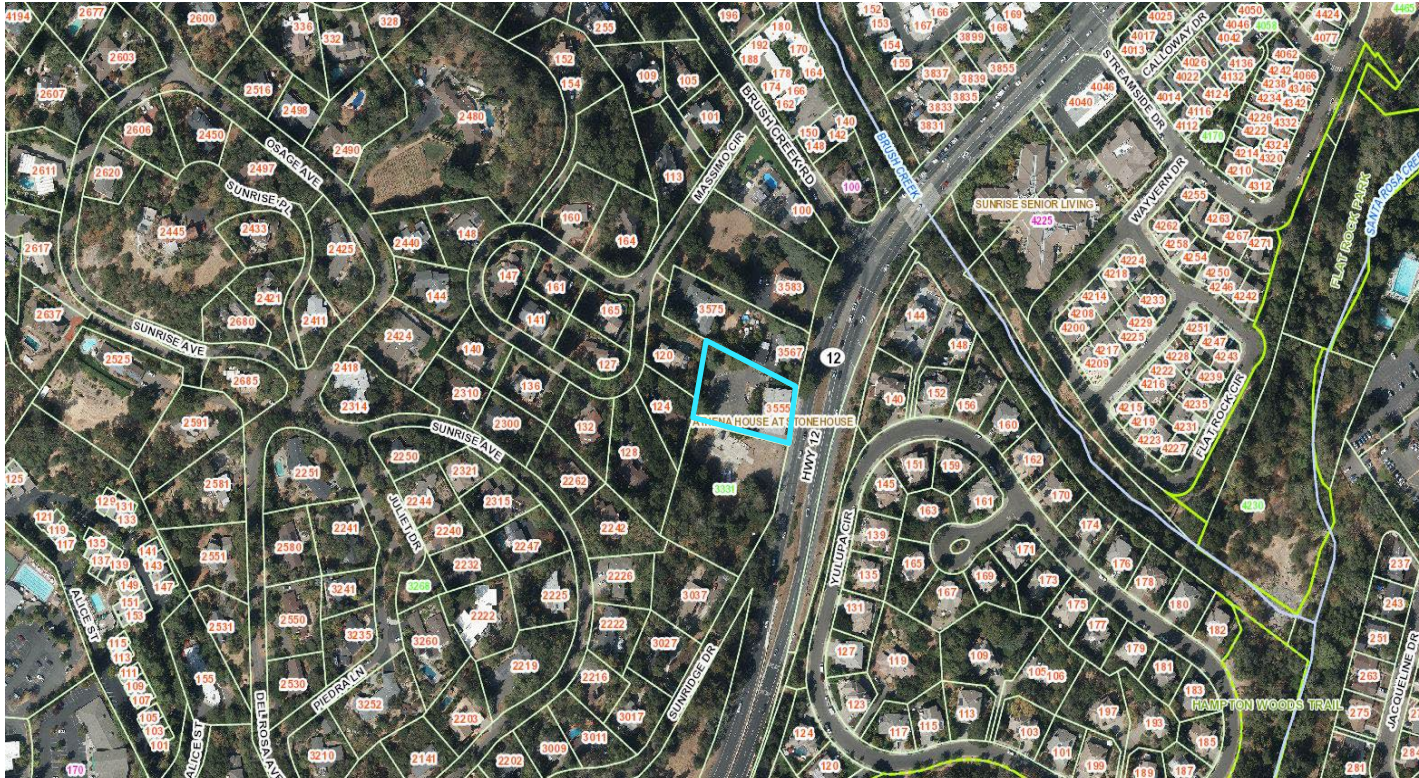
Megan Basinger
Director

Stonehouse/Athena House

- 3555 Sonoma Highway



BACKGROUND



BACKGROUND

- 2010: Housing Authority approved \$200,000 to assist with acquisition of Property
- 2011: Housing Authority approved \$27,151 to assist with rehabilitation

Stonehouse/Athena House

- 40 beds of residential drug and alcohol treatment
 - 28 beds restricted for low-income individuals
 - 30-year Regulatory Agreement initiating in 2012

Stonehouse/Athena House

- Operated between August 2012 and July 2022
- Facility closed in July 2022 due to operational funding issues
- Property listed for sale in July 2022

Stonehouse/Athena House

- Confidential offer has been received for Property
- Requesting termination and release of Regulatory Agreement upon repayment of outstanding principal and interest
- Buyer's Due Diligence period ends Jan. 25th
- Close of escrow scheduled for Feb. 24th

ANALYSIS

- Property has been actively marketed for over 7 months.
- Repayment of loan funds will allow the Housing Authority to invest in new units or rehabilitation projects.
- Termination and release do not set precedent as this is a treatment facility, not a permanent housing unit

ANALYSIS

- Conditions of Release:
 - CHDC must continue making amortized payments until close of sale
 - Housing Authority approval valid for 6 months with an option for a 3-month extension

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, authorize the termination and release of the 30-Year Regulatory Agreement for Stonehouse/Athena House upon the repayment of the outstanding principal and interest of the Housing Authority loans.

- QUESTIONS?